

NJCFS NEWSLETTER

Office of Management and Budget
Accounting Bureau

April 1999

Issue # 26

MACS-E/NJCFS PURCHASING CARD ENHANCEMENT IMPLEMENTATION

On March 5, 1999, enhancements were implemented in the MACS-E and the NJCFS to permit purchases via the Purchasing Card (P-Card.) These enhancements include three new MACS-E screens: **PFST**, **PPCP** and **PPAY**; two new voucher types: **PV-C** and **PV-P**; and new amount fields on the NJCFS Vendor File (VEND.)

In anticipation of implementation, the pilot departments of Treasury, Transportation, Military and Veterans' Affairs and the Judiciary were given training on the new system features. These departments have since made significant use of their P-Cards. Other departments will be trained as they decide to participate in the P-Card program.

Y2K AND NJCFS

NJCFS is prepared for the year 2000. All programs and files have been modified to work properly with calendar and fiscal year 2000 data. These programs and files, as well as those for the various interfaces connected with NJCFS, have been successfully tested on-line.

One final round of testing is nearing completion. This testing, called "Future Date Testing," indicates how the system will react when calendar 2000 arrives. To test this condition successfully, the NJCFS test system's clock has been set

to the year 2000 and all the cycles of the system are being executed as if the calendar has actually advanced to the year 2000.

Note that some year 2000 dates are currently being used in NJCFS. Many tables now contain budget fiscal year 2000 data while many appropriation and grant end dates have been extended into calendar year 2000 and beyond.

DECENTRALIZATION OF APPROVAL AUTHORITY - U1/AO TRANSACTIONS

The Office of Management and Budget (OMB) has begun the delegation of full approval and processing authority for Using Agency Payment Voucher (U1) and Agency Order (AO) transactions to all State agencies. As each agency's security profiles are modified to permit this change, they will no longer submit documentation for these transactions to OMB for review and approval, instead performing those functions internally.

Some exceptional items continue to require OMB approval in accordance with circular letters, purchasing procedures or other requirements. These include U1 payments intended to be issued as Wires, payments of claims and those for prior year liabilities. In addition, uploads to the NJCFS must still be submitted to OMB for final review and processing.

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USE OF INTRA-GOVERNMENTAL TRANSACTIONS

NJCFS users are reminded that payments between State agencies should be made by using intra-governmental transactions (UA and AV), rather than by payment vouchers that cut checks to the agencies. It should also be noted that intra-governmental transactions within one agency are never to be used to circumvent the Transfer of Appropriation procedures.

ACH PAYMENTS FOR EMPLOYEE TRAVEL REIMBURSEMENTS

Increasing numbers of employees are being authorized to receive Travel Voucher (TV) reimbursements through the Automated Clearinghouse (ACH) direct deposit method. This type of payment provides for the fast and secure movement of money directly to the payee's bank account and is far less costly to the State than issuing and mailing checks. Problems have arisen, however, when such transactions are processed without all of the information needed to accomplish the direct deposit successfully. Both employees and agencies must be aware of the system requirements for ACH payments to make this initiative successful.

Employee Responsibilities

Employees who have been approved for the ACH form of payment for travel reimbursements should work closely with their fiscal offices when paperwork for travel events is being prepared to

ensure the use of the ACH location code on their transactions. The Travel Authorization (TE/TH), as well as the subsequent Travel Voucher (TV), must include the ACH location code "08" as part of the employee's vendor ID number (social security number) to enable the system to generate direct deposit payments. When submitting Travel Vouchers for mileage (TV-M), employees should also emphasize the inclusion of the location code "08" as a part of their Employee ID so that those payments will also be processed as ACH direct deposits to their bank accounts. Failure to include the ACH location code will result in a check being printed and mailed to the employee.

Agency Concerns

1. Travel Authorizations (TE's and TH's) which have been processed with a location code of "00" can only be paid with a Travel Voucher with the same code. It is not possible to provide an ACH direct deposit payment if the original authorization did not include the ACH location code of "08." It is extremely important, therefore, that the original TE's and TH's be established with the "08" location code to designate an ACH payment.
2. Agencies should check the Vendor File for each employee travel transaction to determine whether the employee has been approved for ACH payments (location code 08.) The Vendor ID numbers with

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location codes of "08" should be used for all new Travel Authorizations. The Vendor ID numbers with "00" location codes will be inactivated once all travel records referencing the "00" Vendor code are closed.

The Accounting Bureau has developed a FOCUS report that lists employees who have elected to receive ACH payments. Agencies that are interested in receiving this report should contact John Burrows at 609-984-5217.

3. TV transactions do not automatically default to the proper Check Category when an employee identification number for ACH payments is entered. As a result, it is imperative that any Travel Voucher for an employee who has been approved for ACH payments include both the correct employee ID (social security number, followed by a location code of "08"), and a **Check Category of "AM."** Failure to include the proper Check Category code will result in a check being issued, rather than an ACH direct deposit to the employee's bank account.

AGENCY HOLD CHECK USAGE

OMB's Accounting Bureau is again reviewing agency use of the "Hold Check" feature in NJCFS. Although there was a decrease in the use of the

Hold feature by agencies in calendar year 1998, an excessive number of Hold Checks were still generated during that period. The Hold Check feature entails a costly manual process and its use should be restricted to only those situations that have valid justification.

Accounting Bureau staff will be contacting the fiscal offices of those agencies that have generated excessive numbers of Hold Checks to request justifications. Few circumstances justify the use of this feature. Examples of valid uses of Hold Checks are set forth in Circular Letter 94-17-OMB. These include payments: to foreign vendors when special handling and additional postage is necessary, to vendors when additional documentation must be attached to the check, for real estate closings when a check must be presented in person and for employee travel advances when the timing of travel events does not permit the routine mail processing of a check.

The Hold Check feature should never be used for employee travel reimbursement or for any other payment situation for which the standard automated disbursement process is adequate. Conscientious restriction of the use of this feature by agencies can provide significant savings to the State. OMB will continue to monitor the use of this feature and may reject payments for which the use of the Hold Check category code is deemed inappropriate.

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FEDERAL GRANTS

Agencies are reminded of the following Federal Fund Guidelines contained in Circular Letter 95-19-OMB:

1. In accordance with Section V, Paragraph 8 of the circular letter, the award end date should correspond to the cutoff date for the last submission of the Financial Status Report (FSR.) If no final FSR submission date is specified in the grant award, then the grant end date should be six months after the final date the federal agency allows the State department to fund their expenses.
2. In accordance with Section VI of the circular letter, grant expenses can be incurred in other than grant accounts (e.g., payroll.) It will be each department's responsibility to process Expenditure Modifications and/or Intra-governmental Payment Vouchers so that a true depiction of expenditure activity is presented within the Grant Module and against the proper funding source. The transactions should be processed within the same State Budget Fiscal Year that the original charge was processed.

All requests to extend grant end dates in NJCFS must be submitted on a timely basis to OMB and must include supporting documentation (e.g., Federal Government Approved Time Extension.)

DATA RETENTION PERIODS

A number of NJCFS on-line tables are routinely purged after a specified period of time has elapsed. The oldest data on these tables is removed to conserve storage space and to facilitate quick and efficient on-line access. The purged data is transferred to Focus files that can be accessed by Focus users as needed. To assist NJCFS users in determining the availability of on-line data, the retention periods of several frequently used NJCFS tables are listed below, by Table ID.

ALOG -- Approval Log -- All transaction approval records are available on-line for two years.

CPVL -- Closed Payment Voucher Table -- Closed payment voucher records written to this table from the Open Payment Voucher Line Table (OPVL) are available for fifteen months.

FLXB/FLB2 -- Flexible On-line Budget Ledger and Alternate View -- Data is available for one year from original transaction date.

LDGR/LDG2 -- Detail Real-Time Ledger and Alternate View -- Data remains available for six months after original transaction date.

OPOH/OPOL -- Open Purchase Order Header and Line Tables -- Order header and line data is available for three months following the close of an

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order. Headers and lines of open orders are not purged.

OPVH/OPVL -- Open Payment Voucher Header and Line Tables -- Payment voucher header and line data remain on this table for three months after a payment voucher is closed. The data is then moved to the Closed Payment Voucher Line Table (CPVL.) Headers and lines of open payment vouchers are not purged.

ORQH/ORQL -- Open Requisition Header and Line Tables -- Requisition header and line information for all open requisitions is available on these tables. Data on requisitions that were closed as far back as December, 1995 also continues to be available. These tables currently are not being purged.

SUSF -- Suspense File -- All accepted transactions are purged after three days. Transactions marked for deletion are purged daily. Those with Pending or Rejected status are not purged.

VENDOR IDENTIFICATION CODES

There are two areas of concern related to the use of vendor codes on NJCFS transactions. These are the use of the miscellaneous vendor code on payment transactions and the inclusion of vendor codes in processing Cash Receipts to record vendor refunds.

Miscellaneous Vendor Code

Agencies should refrain from using the miscellaneous vendor code (777777777 13) to the greatest extent possible. The miscellaneous vendor code is to be used with extreme care when processing payment vouchers. The miscellaneous code is intended only for one-time payments being made to an individual (or in rare cases, to a company or entity) which is not a recurring vendor of the State and when the payment is not reportable for federal tax purposes.

This last condition is especially important because it is the Vendor Code that identifies vendors subject to federal taxes and accumulates payments made to them for year-end reporting. The State of New Jersey is required by federal law to report taxable payments annually by issuing Form 1099 to both the vendors and the federal government in an accurate and timely manner. Use of the miscellaneous vendor code circumvents 1099 reporting. Situations for which it is acceptable to use the miscellaneous vendor code include the refund of certain taxes or fees collected, payments of claims and settlements and payments to foreign vendors.

Vendor Refunds

When a vendor refunds all or part of a payment to an agency, it is important that the correct Vendor ID be entered on the Cash Receipt used to record the refund. This will ensure that the vendor's record is reduced to reflect the

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net amount paid. Failure to do so will overstate the total amount of payments reported for federal tax purposes on that vendor's Form 1099 at year-end.

EMPLOYEE ADDRESS CHANGES

A new procedure has been instituted to modify addresses of employees on the NJCFS Vendor Master File. When an employee address has been modified in the OMB Centralized Payroll System, the address on file in NJCFS will be automatically modified based on a payroll report of address changes. It is no longer necessary to submit separate documentation to the Vendor Control Unit to change records on the NJCFS Vendor File. The Vendor Control Unit will complete the NJCFS change within two weeks of the payroll change.

Centralized Payroll still requires that a revised W-4 Form be submitted through the agencies' payroll representative to initiate a change of address.

Q&A

Q. When canceling an open travel requisition (TE) that had been converted to an Agency Order (AO), I entered an AO decreasing modification, referencing the TE. On the next Open Travel Requisition Report my agency received, the TE was listed as open. What caused this?

A. The Agency Order modification entered by you effectively canceled the

AO and replaced it with the original TE. To cancel the open balance of the AO, all that was necessary was to enter an AO modification, decreasing the open balance of the AO, without a reference to the prior TE. By referencing the TE, your modifying AO re-established the TE which is why it appeared on the Open Travel Requisition Report. It also re-opened the transaction on the open requisition tables (ORQH and ORQL.)

In the situation described, it will now be necessary to enter a modifying TE, decreasing the amount of the open balance. This will cancel it and return the unused balance to your agency's spending account.

Q. How will the decentralization of approval authority for U1 transactions affect the reporting of Official Receptions?

A. Agencies are still required to submit documentation concerning Official Receptions to OMB, in accordance with the provisions of Circular Letter 94-18-OMB "Definition of Entertainment, Official Reception." Once a "BA" (Budget and Accounting) number is assigned to the event, payments can be processed. U1 payment voucher transactions related to Official Reception should reference the BA Number assigned by OMB in the "Description" field of the U1. This will provide a verifiable indicator that the payment is in compliance with the Official Reception circular letter.